

(compliance) as notice of such discontinuance. The regional director (compliance) may then terminate the liability of the surety on the bond of the manufacturer.

(72 Stat. 1422; 26 U.S.C. 5721, 5722)

[T.D. 6871, 37 FR 40, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28083, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

§ 270.332 Suspension and revocation of permit.

Where the regional director (compliance) has reason to believe that a manufacturer of tobacco products has not in good faith complied with the provisions of 26 U.S.C. chapter 52, and regulations thereunder, or with any other provision of 26 U.S.C. with intent to defraud, or has violated any condition of his permit, or has failed to disclose any material information required or made any material false statement in the application for the permit, or has failed to maintain his premises in such manner as to protect the revenue, the regional director (compliance) shall issue an order, stating the facts charged, citing such person to show cause why his permit should not be suspended or revoked. Such citation shall be issued and opportunity for hearing afforded in accordance with part 200 of this chapter, which part is applicable to such proceedings. If the hearing examiner, or on appeal, the Director, decides the permit should be suspended or revoked, the regional director (compliance) shall by order give effect to such decision.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1421, as amended (26 U.S.C. 5713))

[26 FR 8174, Aug. 31, 1961. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-48, 44 FR 55855, Sept. 28, 1979]

Subpart K—Manufacture of Cigarette Papers and Tubes

SOURCE: T.D. ATF-384, 61 FR 54085, Oct. 17, 1996, unless otherwise noted.

TAXES

§ 270.351 Cigarette papers.

On each book or set of cigarette papers containing more than 25 papers, manufactured in or imported into the United States, the following taxes are imposed by law:

(a) Cigarette papers removed before January 1, 1991, ½ cent for each 50 papers or fractional part thereof.

(b) Cigarette papers removed on or after January 1, 1991, and before January 1, 1993, 0.625 cent for each 50 papers or fractional part thereof.

(c) Cigarette papers removed on or after January 1, 1993, 0.75 cent for each 50 papers or fractional part thereof.

(d) Where cigarette papers measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette paper.

(72 Stat. 1414; 26 U.S.C. 5701)

§ 270.352 Cigarette tubes.

On cigarette tubes, manufactured in or imported into the United States, the following tax is imposed by law for each 50 tubes or fractional part thereof:

(a) Cigarette tubes removed before January 1, 1991, 1 cent.

(b) Cigarette tubes removed on or after January 1, 1991 and before January 1, 1993, 1.25 cents.

(c) Cigarette tubes removed on or after January 1, 1993, 1.5 cents.

(d) Where cigarette tubes measure more than 6½ inches in length, they shall be taxable at the above rates, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette tube.

(72 Stat. 1414; 26 U.S.C. 5701)

§ 270.353 Persons liable for tax.

The manufacturer of cigarette papers and tubes shall be liable for the taxes imposed on such articles by 26 U.S.C. 5701. When a manufacturer of cigarette papers and tubes transfers such papers and tubes without payment of tax, pursuant to 26 U.S.C. 5704 to the bonded